



EXPORT PROMOTION COUNCIL FOR HANDICRAFTS

"EPCH HOUSE" POCKET-6 & 7, SECTOR-C, L.S.C., VASANT KUNJ, NEW DELHI-110070

Tel: 91-11-26135256

Email: kolkata@epch.com

Fax: 91-11-26135518, 26135519

Web: www.epch.in

EPCH ORGANISED AN AWARENESS SEMINAR ON ECGC & MARINE CARGO INSURANCE "COVERING RISKS OF EXPORTS" IN HANDICRAFTS SECTOR AT KOLKATA ON (SATURDAY) 21.12.2013 AT THE CONFERENCE HALL OF EPCH - ER OFFICE, AT 53/1, SAMBHUNATH PANDIT STREET, KOLKATA - 700 025.

The EPCH organized an awareness Seminar on ECGC & Marine Cargo Insurance "Covering Risks of Exports" in handicrafts sector at Kolkata on (Saturday) 21.12.2013. The following speakers were present during the above seminar:-

- | | | | |
|----|-----------------------------|---|-----------------------------|
| 1. | Ms. Sharmin Ahmed | - | Oriental Insurance Co, Ltd, |
| 2. | Mr. Sankar Ranjan Bannerjee | - | Manager, ECGC of India ltd |
| 3. | Shri A. K. Hota | - | Asst., Director - DC(H) |
| 4. | Shri O. P. Prahladka | - | Convener (EPCH - ER) |

The objective of the Seminar is to apprise the participants on the various aspects of activity of ECGC & Marine insurance and further guide them in the interactive session on the practical aspects on how to avail the services of ECGC.

While welcoming the dignitaries in his address Mr. O. P. Prahladka referred ECGC for maintaining best database for Indian Exporters. He recommended the necessity of opting for ECGC policy as desired by banks and marine policy to facilitate the exports.

Ms. Sharmin Ahmed from Oriental Insurance Co, Ltd., and Mr. Sankar Ranjan Bannerjee, Manager, ECGC of India ltd made a detailed presentation on ECGC highlighting the services offered by them and explained the claims settlement procedures to the participants. More that 40 participants including members, Artisans, and NGOs took part in the seminar. The Convener - Eastern Region, Shri O P Prahladka chaired the above seminar.

Mr. Bannerjee informed the member exporters on how they can manage their credit risks by providing timely information on worthiness of the buyers, bankers and the countries. He informed the House, how ECGC protects the exporters against unforeseen losses, which may arise due to failure of the buyer, bank or problems faced by the country of the buyer by providing cost effective credit insurance covers in the form of Policy and Investment Insurance Services comparable to similar covers available to exporters in other countries.

Mr. Bannerjee further informed the participants that ECGC as essentially an export promotion organization, seeking to improve the competitive capacity of Indian exporters by giving them credit insurance covers comparable to those available to their competitors from most other countries. It keeps its premium rates at the lowest level possible. He also explained classification of risks, important features, various policies highlighting product classification, risk coverage, percentage of cover, minimum premium and specific policy related important obligation to the exporters.

Smt Sharmin Ahmed, Deputy Corporate Manager, Corporate Business Unit, The Oriental Insurance Co. Ltd. elaborated the subject matter of insurance which is related to handicrafts of wood, metal & textiles. With inputs of case studies, she described the scope of all risk cover; risk allotted to transit, policy exclusions, special consideration of policy, any special features, claim procedures, overseas settling agents etc. During question answer session, she also considered necessary to mention the under writing basis and documents required for claim settling procedures. She concluded her address by informing the participants about Oriental Insurance Co, Ltd., and the

services offered by them to handicrafts exporting community for promotion of exports from the country.

After detailed deliberations, the following major questions were raised by the participants:-

Q. 1 What does ECGC do?

1. ECGC Provides a range of credit risk insurance covers to exporters against loss in export of goods and services.
2. Offers Export Credit Insurance covers to banks and financial institutions to enable exporters to obtain better facilities from them.

Q.2 What is cargo?

A. Cargo is defined as all goods that are in transit, or in any stage of transportation.

Q.3 What are the advantages of placing marine insurance?

A.

1. "Warehouse to warehouse" protection is provided with terms of insurance specifically designed for the insured goods and method of shipment. Such insurance provides coverage for the full exposure at proper values and adequate limits
2. With an Open policy, the insured is automatically covered for each shipment
3. Claims are payable in your currency
4. Local currency insurance reduces the probability of misunderstandings, correspondence and elapsed time in connection with handling of claims. This practice facilitates prompt replacement of goods and contributes to generally improved trading relations
5. Rates will be competitive and reflect the insured's loss experience
6. Insurance in local funds avoids foreign currency problems such as devaluation and fluctuation
7. Insurance is based on the individual's loss experience, not someone else's, and will not attract higher limits

Q.4 What are the underwriting rating considerations?

A. To enable an underwriter to assess the risk and give a competitive set of rates, it is essential that information details are made available prior to determining a rate.

The main points are:

1. Past experiences of both the insurer and the client
2. Destinations, port facilities
3. Inland Transit before loading and after discharge, particularly if long duration and transport facilities are poor.



